

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 170063

62

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 L-03 JUSE-00 COME-00 FTC-01

CIAE-00 INR-07 NSAE-00 TRSE-00 OMB-01 /032 R

DRAFTED BY EB/CSB/BP:WBLOCKWOOD:VJW

APPROVED BY EB/CSB/BP:HJWINTER

EUR/CE - BFLATIN

L/EB - TTALLERICO

JUSTICE - DROSENTHAL

----- 121943

P R 182206Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY BERN PRIORITY

INFO USMISSION OECD PARIS

LIMITED OFFICIAL USE STATE 170063

E.O. 11652: N/A

TAGS: ETRD, SZ

SUBJECT: ANTITRUST: SWISS WATCHES

1. THE DEPARTMENT HAS BEEN INFORMED THAT IN THE NEAR FUTURE THE DEPT OF JUSTICE MAY FILE A CIVIL ANTITRUST SUIT AGAINST FOUR AFFILIATED SWISS COMPANIES WHICH MANUFACTURE OMEGA AND TISSOT WATCHES: OMEGA LOUIS BRANDT ET FRERE S.A., CHS TISSOT ET FILS S.A., SOCIETE SWISSE POUR L'INDUSTRIE HORLOGERE MANAGEMENT SERVICES S.A., AND SOCIETE SUISSE POUR L'INDUSTRIE HORLOGERE S.A., AS WELL AS THEIR TWO INDEPENDENT U.S. DISTRIBUTORS FOR VIOLATION OF SECTION I OF THE SHERMAN ANTITRUST ACT IN U.S. INTERSTATE AND FOREIGN COMMERCE.

2. EVIDENCE HAS BEEN GATHERED IN THIS INVESTIGATION WHICH INDICATES THAT SINCE AT LEAST 1973 THE SWISS FIRMS HAVE COMBINED AND CONSPIRED WITH THE U.S. DISTRIBUTORS THAT

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 170063

THE U.S. DISTRIBUTORS WOULD, AMONG OTHER THINGS, SELL

OMEGA AND TISSOT WATCHES ONLY WITHIN THE MARKETING TERRITORY OF THE U.S., AND NOT ANYWHERE ELSE IN THE WORLD, AND THAT EVEN WITHIN THIS TERRITORY THEY WOULD NOT SELL TO DUTY-FREE SHOPS, THESE SHOPS BEING ALLOCATED TO THE SWISS MANUFACTURERS FOR THEIR DIRECT WATCH DISTRIBUTION.

3. EVIDENCE ALSO EXISTS INDICATING THAT THE PARTIES HAVE COMBINED AND CONSPIRED TO ELIMINATE THE IMPORTATION OF OMEGA AND TISSOT WATCHES INTO AND SALE WITHIN THE U.S. BY THIRD PARTIES.

4. THE COMPLAINT SEEKS TO ENJOIN THIS CONSPIRATORIAL CONDUCT AND BAN FUTURE MARKET ALLOCATION ARRANGEMENTS BETWEEN THE U.S. AND SWISS FIRMS.

5. ACTION REQUESTED: PURSUANT TO 1967 OECD RECOMMENDATION ON COOPERATION ON RESTRICTIVE BUSINESS PRACTICES, REQUEST THAT EMBASSY INFORM APPROPRIATE GOS AUTHORITIES OF PROPOSED ACTION BY DEPT OF JUSTICE. IF UNDERTAKEN, THE SUIT MAY BE FILED AS EARLY AS TEN (10) DAYS FROM NOW. PLEASE ADVISE BY RETURN CABLE PRIOR TO THAT TIME OF ANY SIGNIFICANT GOS REACTIONS. KISSINGER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LITIGATION, ANTITRUST, WATCHES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE170063  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** WBLOCKWOOD:VJW  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750249-0832  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750741/aaaabkoj.tel  
**Line Count:** 83  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 MAY 2003 by ShawDG>; APPROVED <03 OCT 2003 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ANTITRUST: SWISS WATCHES  
**TAGS:** ETRD, SZ  
**To:** BERN  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006